Socioeconomic and Demographic Trends in Ottawa-Carleton:
A Historical Perspective

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Socioeconomic and Demographic Trends in Ottawa-Carleton:

A Historical Perspective

1.0 Introduction

This paper is one of a series that will discuss various aspects of housing in Ottawa-Carleton. These papers will form the basis of the Regional Housing Statement Update in 1990.

Key to understanding current and emerging housing issues and housing requirements, which will be the subject of separate papers, is understanding past and present housing trends. The purpose of this paper is to review economic, population and construction trends during the 80s with regard to the Ottawa-Carleton housing market.

2.0 Economic Growth and Employment[1]

Between 1981 and 1986 population growth in Ottawa-Carleton occurred at unprecedented rates, fueled by a 17.3% increase in employment with the creation of 50,270 jobs. This is approximately double the rate of the previous five years. Growth, however, wasn't uniform over the period. Between 1981 and 1982, during the recession, employment in Ottawa-Carleton declined by about 3.5%. Employment did not recover beyond the 1981 level until 1984. For Canada as a whole, the loss of jobs in 1981 was of essentially the same magnitude as in Ottawa-Carleton, however employment in Canada did not recover beyond 1981 levels until 1985. Other indicators of the recession are referred to below: unemployment increased, construction dropped significantly, migration to the Region increased, and interest rates soared.

In most urban areas, economies are driven by manufacturing and service industries. The RMOC economy is unusual in its concentration of employment in public administration and defense (primarily federal government employment). In 1986, approximately 6% of the Region's workforce was in the manufacturing sector, compared with 22% in Ontario as a whole; and approximately 27% was in government services, compared with 7% in Ontario as a whole.

Prior to 1976 the performance of the local economy was largely dictated by the rate of growth of federal employment. Between 1971 and 1976 the federal government grew at a rate of 7.8% annually. Since the early 70s federal employment in the RMOC has fallen from 87,946 in 1976 to 84,362 in 1981 (-0.8% per year) to 82,161 in 1986 (-0.5% per year). Some 5,785 federal government jobs were lost in the RMOC during the 1976-1986 period.

The local economy became more diversified between 1976 and 1986. In 1976, for every federal government employee in the Region there were 1.6 employees in other sectors. By 1986, there were 3.2 employees in other sectors for every federal employee. Employment growth occurred in all sectors except the public administration sector. Approximately 14,000 of the 70,000 new jobs created between 1976 and 1986 were in the field of advanced technology. The largest increase, however, occurred in the services industries. The subcategories of business services, health and social services, and accommodation and food services grew the fastest.

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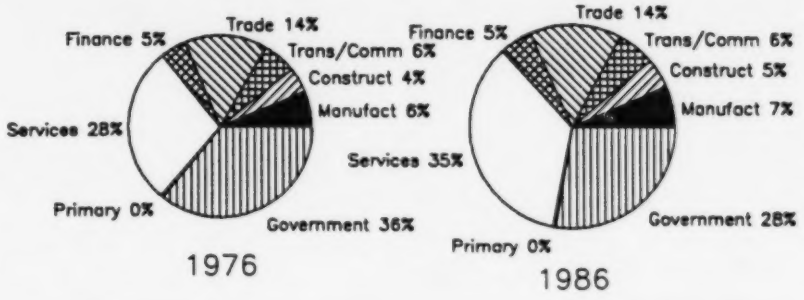
[1]For more detail see Employment in Ottawa-Carleton 1976-1986, RMOC Planning Department, December 1986.

Figure 1

Employment By Major Employment Groups
RMOC 1976 – 1986



2.1 Employment Distribution Within the RMOC

The central area is the focal point of employment in the Region with 22% of the jobs. The majority of the jobs, however, are dispersed throughout the area within the federal greenbelt. About 70% of the Region's employment is located outside of the central area but within the greenbelt. The urban communities (Kanata, Orleans and Barrhaven) and the rural area each accounted for 4% of the employment in 1986.

The City of Ottawa had about 74% of the Region's employment in 1986 and accounted for about 51% of the growth between 1976 and 1986. Nepean and Gloucester accounted for about 19% and 17% respectively of the growth in employment between 1976 and 1986.

2.2 Labour Force

During the 1976-86 period, labour force participation increased. In 1976 the participation rate (i.e. the proportion of the population over the age of 15 that was working or looking for work) was 64.7%. By 1986 the participation rate had increased to 71.8%. Most of the increase can be attributed to a 21% increase in the female participation rate. The male participation rate increased by 3.7% over the same period. In 1976, 100 jobs supported 192 persons. The same number of jobs supported only 178 persons in 1986.

In Ottawa-Carleton, the highest participation rates are in the new urban centres. This is closely related to the age structure of the population, as there are fewer elderly in the suburbs. The lowest male and female participation rates are in Rockcliffe Park, Vanier, and Ottawa.

Table 1

Employment By Municipality

Municipality	1986 Employment	Percent of Total Employment	1986 Population	Percent of Total Population
Cumberland	2,489	0.7%	26,999	4.5%
Osgoode	1,823	0.5%	11,197	1.8%
Gloucester	25,108	7.4%	89,810	14.8%
Vanier	6,211	1.8%	18,426	3.0%
Rockcliffe	200	0.1%	2,033	0.3%
Nepean	37,118	10.9%	95,490	15.7%
Ottawa	253,806	74.5%	300,763	49.6%
Rideau	1,725	0.5%	10,271	1.7%
Goulbourn	2,122	0.6%	12,303	2.0%
Kanata	8,258	2.4%	27,519	4.5%
West Carleton	1,957	0.6%	11,828	1.9%
Total	340,817	100%	606,639	100%

Source: RMOC Planning Department

2.3 Unemployment Rates

As Figure 2 indicates, the recession of the early 80s resulted in an increase in the unemployment rate in Ottawa-Carleton from 6.0% in 1981 to 8.2% in 1983. For Canada as a whole the increase in unemployment was much more extreme - to 11.9% in 1983. Unlike the situation for Canada, where the rate declined steadily from 11.9% in 1983 to 7.8% in 1988, in Ottawa-Carleton the rate, while still better than most other places, did not begin to decline until 1985. The average unemployment rate in Ottawa-Carleton in 1988 was 4.6%.

Figure 2

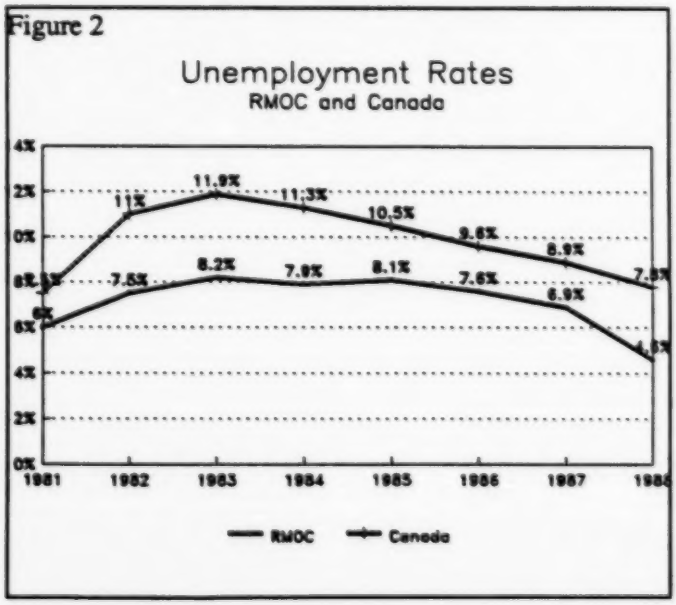


Table 2

RMOC Population 1971-1989

Municipality	1971	1976	1981	1986	1987*	1988*	1989*
Ottawa	302,341	304,445	295,163	300,763	305,438	306,679	308,308
Vanier	22,477	19,820	18,792	18,426	18,734	18,399	18,368
Rockcliffe	2,138	2,115	1,869	2,033	2,326	2,340	2,331
Cumberland	9,294	12,365	16,177	26,999	28,820	32,600	34,557
Gloucester	37,145	56,485	72,859	89,810	92,472	94,612	96,605
Goulbourn	9,457	13,755	9,559	12,303	12,788	13,480	14,215
Kanata**	5,822	8,020	19,728	27,519	28,624	31,484	32,820
Nepean	64,606	76,930	84,361	95,490	96,965	100,136	102,921
Osgoode	7,757	8,950	9,360	11,197	11,433	11,917	12,617
Rideau	4,893	8,660	9,052	10,271	10,381	10,465	10,752
W. Carleton	6,001	8,905	9,929	11,828	11,858	12,579	13,041
RMOC Total	471,931	520,450	546,849	606,639	619,839	634,691	646,535

Note: Some of the population increases/decreases are due in part to boundary changes since 1971.

Source: Statistics Canada, Census of Canada. *Provincial Assessments **The Township of March, part of the Township of Goulbourn and part of the Township of Nepean were combined in 1978 to form what is now the City of Kanata.

3.0 Population

3.1 Population Growth

The annual average growth in the population during the first half of the 1980s exceeded that of any five year period in the previous twenty-five years. Between 1981 and 1986 the population in the Region grew by almost 12,000 persons per year or a compound growth rate of 2.1% per year. The rate of growth was slightly higher during the 60s but did not result in as large an increase in the population (due to the smaller base).

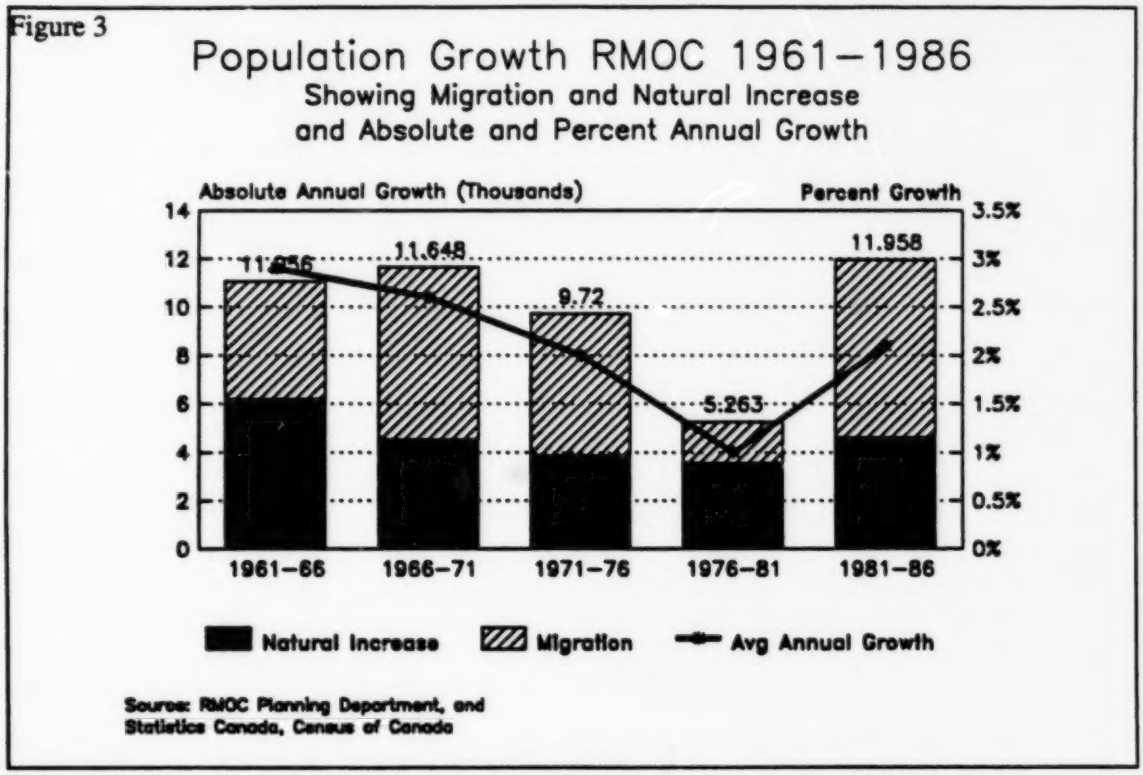
Population data between census years are not as reliable as those produced by the census. It appears however, that growth during 1987 and 1988 was approximately the level of the previous five year period. Population growth in 1987 and 1989 averaged about 13,300 per year or a compound growth rate of 2.1% per year. The 1989 population was 646,535

3.2 Components of Population Growth

Change in population is a function of births, deaths and net migration. The major demographic factor influencing population growth in Ottawa-Carleton is net in-migration. Natural increase (i.e. births minus deaths) has remained relatively stable since the mid-sixties and, with the exception of the 1976-81 period when net in-migration dropped substantially, has accounted for just under 40% of the population growth. Net migration during the 1981 to 1986 period averaged 7,414 — higher than the previous peak years of 1966-71 (7,187 persons/year) (see Figure 3).

The relatively favourable position of Ottawa-Carleton compared with the rest of Canada during the recession was probably instrumental in attracting migrants during the early 80s. Net migration peaked in 1982-83 at over 10,000 persons per year (based on Statistics Canada data derived from tax returns).

Figure 3



3.3 Mobility

Just over one quarter (27%) of the Region's 1986 population moved into the Region between 1981 and 1986. Slightly more than half of these migrants were from other areas within Ontario. Of the remaining migrants, three quarters were from elsewhere in Canada and one quarter were from outside Canada.

The percentage of migrants in the RMOC in 1986 (27%) was higher than the percentage for the Province as a whole (20%). The difference is wholly due to greater interprovincial migration; the proportion of migrants from outside Canada and of those who moved from different areas within Ontario were identical for the RMOC and the Province as a whole.

Figure 4

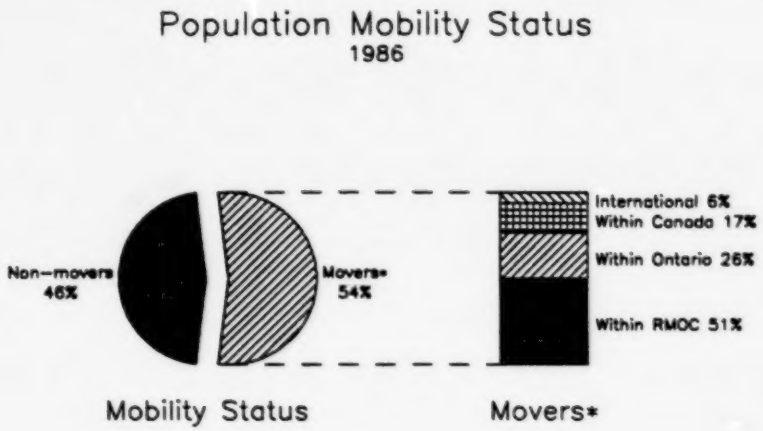
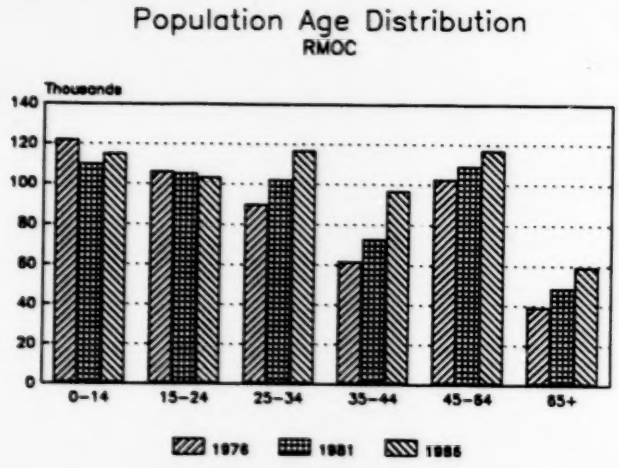


Figure 5



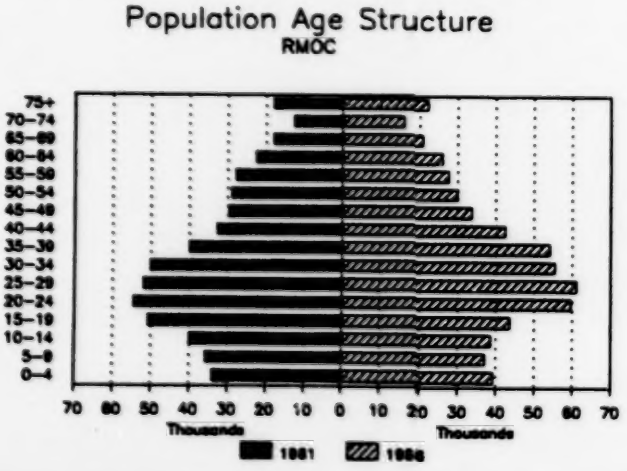
3.4 Population Age Distribution

The age distribution of the population is important because of its impact on housing requirements. As indicated in Table 3 (below), the likelihood of forming a household increases with age. The dominant trend over the past decade has been the aging of the Region's population. The median age in the RMOC increased from 27.3 years to 31.2 years between 1976 and 1986.

Between 1976 and 1986, the Region's population grew by 86,410. However, as Figure 5 indicates the population under the age of 24 actually declined, while the population over that age grew rapidly. The 35-44 age group increased the most over the period, both in actual numbers (35,000) and in percentage increase (57%).

One significant change during the first half of the eighties which is masked somewhat by the overall trend toward an older population was the increase in the 0-9 age group (see Figure 6). This mini baby-boom is the result of the reproductive choices of the aging baby-boom generation.

Figure 6



4.0 Households

Table 3

Headship Rates in Ottawa-Carleton
1971-1986

Age	1971	1976	1981	1986
0-14	0.000	0.000	0.000	0.000
15-24	0.114	0.160	0.160	0.144
25-34	0.470	0.492	0.516	0.490
35-44	0.510	0.535	0.551	0.553
45-54	0.534	0.539	0.565	0.572
55-64	0.566	0.581	0.578	0.579
≥65	0.531	0.591	0.595	0.604
Total	0.294	0.334	0.459	0.464

Source: Derived from Census of Canada

As indicated in Table 3, headship rates, or the propensity to form households, increase with age. Also, the headship rate for each age group has been increasing since 1971. These two factors, combined with the shifting age structure, resulted in a dramatic increase in the overall headship rate from 29.4% in 1971 to 46.4% in 1986. The result of this has been a rapid growth in households over this period (see Figure 7).

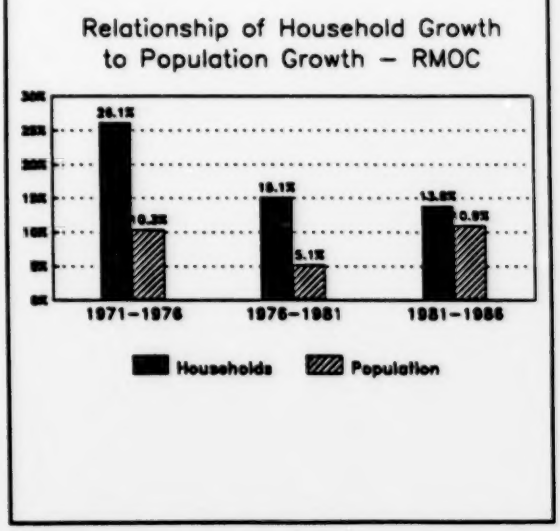
During the 1981 to 1986 period, headship rates were more stable than they had been during the 70s. There were declines in the rates for the younger age groups (i.e. less than 34), and moderate increases in the rates for older age groups.

During the early 70s the most pronounced trend in household growth was the dominance of non-family households especially single person households. Between 1971 and 1976 non-family households grew by 67% and accounted for 53% of household growth. Since 1976, both the number of new non-family households (i.e. the growth in non-family households) and the share of household growth by non-family households have declined. During the 1981-86 period, non-family household growth dropped to 16% and accounted for only 36% of household growth.

The rapid growth in non-family households in the early 70s can be attributed to several factors: 1) large increase in the 15-34 age group, 2) greater affluence, and 3) trend towards later marriage (ie. young people tended to create two single person households rather than one family household).

During the 80s, the recession, which resulted in a high rate of unemployment and reduced affluence of the 15-34 age group (particularly the younger members of this age group), led to a lower propensity to form households among young adults. At the same time the absolute numbers in this population were declining.

Figure 7



These two effects combined to reduce the growth rate in non-family households between 1981 and 1986.

The flip side of the decline in non-family household growth was a large increase in family household growth during the early 80s. During the 1971-76 period family households increased by an average of 3,367 per year. Between 1976 and 1981 the increase in family households fell to 2,635 per year. The 1981-86 period saw a 35% increase in the rate of family household growth to 3,550 per year. This again reflects the aging of the population as the baby-boom generation increasingly formed families.

Lone-parent households continued to grow at a higher rate than other household types, although the rate during the 1981 to 1986 period (17%) had declined from what it had been between 1976 and 1981 (40%) or between 1971 and 1976 (30%).

A small but interesting development during the 1981-86 period was a reverse in the decline of multiple family households and two or more person non-family households. This may be symptomatic of the worsening economic conditions for some households in the RMOC during the early 1980s.

Table 4

Household Types
RMOC

	1971	1976	1981	1986
Family Households	109,280	126,250	139,290	157,040
One Family	107,215	124,850	137,915	155,285
Multi Family	2,115	1,400	1,380	1,755
Lone Parent	9,890	12,770	17,900	21,010
Non-Family	28,780	48,050	61,210	71,100
One Person	20,290	36,420	50,435	56,565
Two or More	8,570	11,665	10,775	14,535
Total Households	138,060	174,300	200,500	228,140

Source: Statistics Canada

4.1 Persons Per Household

The average number of persons per household continued to decrease during 1981-1986, as it has since 1961. However the decline of 0.1 person per household [from 2.7 persons per household (pph) in 1981 to 2.6 pph in 1986] was the smallest drop in any five year period since 1961. Much of the decrease in household size during the 70s could be attributed to the increase in non-family households. The slowing in the rate of decline in household size is indicative of the slower growth in non-family households discussed above, as well as a slower decline in average family size. Whereas average family size had been declining by 0.2 persons per family at each census from 1966 to 1981, the average size declined by only 0.1 person between 1981 and 1986. This reflects the baby-boom echo that occurred during the early 80s.

Table 5

Average Household Size

	1971	1976	1981	1986
Urban Area (Inside Greenbelt)	3.4	2.9	2.6	2.5
Suburban Area (Outside Greenbelt)	3.9	3.6	3.5	3.3
Rural Areas	3.9	3.6	3.4	3.2
Total RMOC	3.4	3.0	2.7	2.6

Source: Statistics Canada

The decrease in household size was fairly consistent throughout the Region between 1981 and 1986. Most municipalities had a decrease of 0.1 person per household. The average household size in Gloucester dropped by 0.2 persons, while in Ottawa and Cumberland the average size remained the same, as did the average for Ontario as a whole. Gloucester also had the largest decrease in family size between 1981 and 1986, from 3.5 to 3.3 persons per family. The average household size in RMOC was 2.6 persons in 1986, and ranged from a low of 2.2 persons per household in Vanier to a high of 3.5 persons per household in Cumberland.

5.0 Housing Production

Figure 8 shows housing completions in the RMOC by type of structure from 1970 to 1988. There are four distinct periods evident on this chart.

From 1970 to 1975, housing production was at a very high level (8,328/yr). Apartment construction was the dominant housing form with 63% of all completions during that period. Other multiple types accounted for over 20% of new units. Single detached construction averaged only 1,340/yr. and accounted for 16% of all construction.

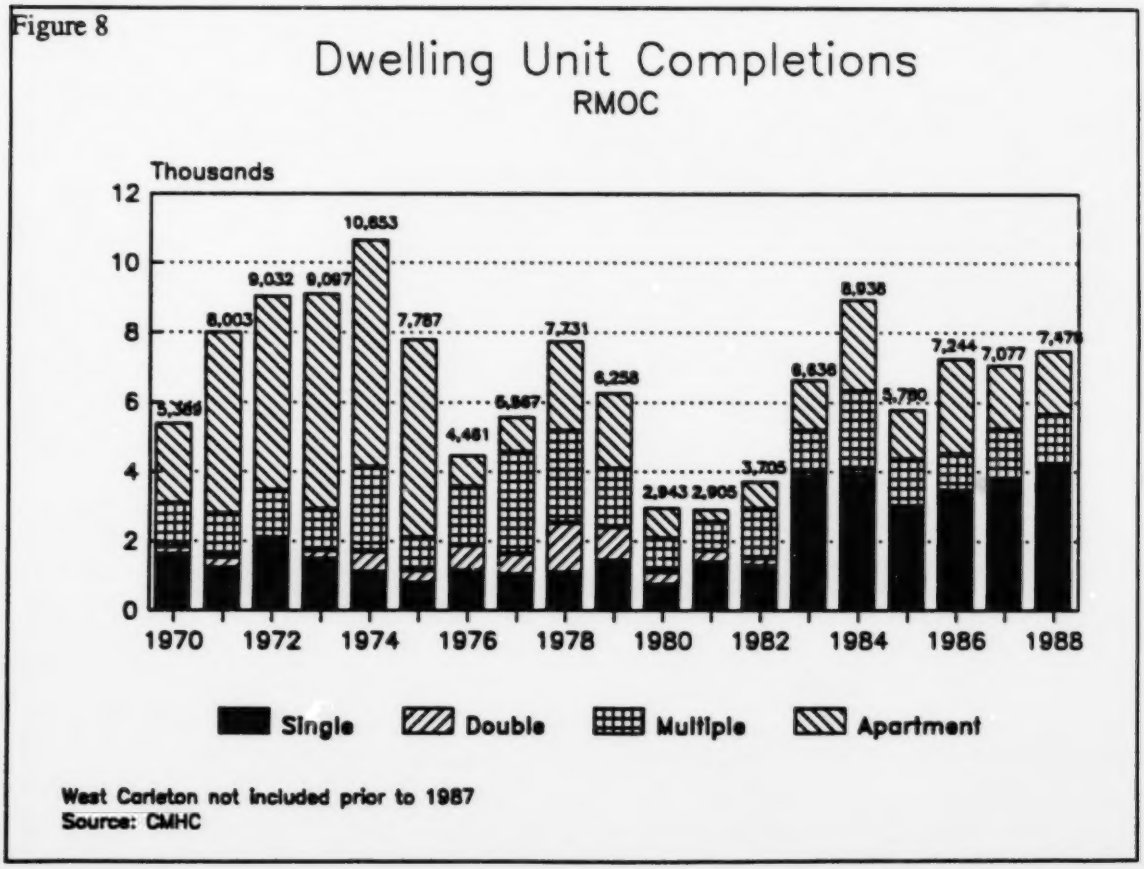
Apartment construction declined sharply in 1976 — from 5,723 units in 1975 to 932 units in 1976 — and remained relatively slow throughout the end of the 70s and to the present. The decline in apartment construction in the mid-70s is frequently attributed to the imposition of rent controls in 1975. However a number of other factors were at play which affected apartment construction including: a change in tax laws which made investing in rental properties less attractive; a glut of apartment units as a result of the previous five years of construction; development of large public housing apartment projects was discontinued; and the changing age structure of the population was making invest-

ment in apartments riskier. An increase in other multiples (ie. rowhouses and doubles) compensated somewhat for the drop in apartment construction. Construction of all types averaged a relatively high 6,360 units per year during the latter half of the 70s.

During the recession years, from 1980 to 1982 inclusive, which were characterized by high interest rates and high unemployment, housing production fell to an average of 3,180 units per year. Multiples, particularly row housing, remained the dominant structure type during the recession. As mortgage interest rates declined from 18% in 1981 to 13% in 1983, and the economic climate improved, pent-up demand resulted in a tripling of units completed from the low point of 1981 to the high point of the decade, 1984.

The suddenness and persistence of the change, beginning in 1983 is striking. Not only did production increase dramatically, the type of units being produced changed as well. Single detached production, which averaged 1,150 units per year and 25% of new units from 1978 to 1982, jumped to an annual average of 3,600 per year and 50% of new units. Apartment and rowhouse construction returned to roughly the level of production of the late 70s, and doubles construction practically disappeared. This abrupt change can undoubtedly be attributed to the drop in interest rates which made single detached houses suddenly relatively affordable. The persistence of this change is probably another consequence of the aging population and reflects the housing type of choice of the rapidly growing 35-55 age group and their new family households.

Figure 8



5.1 Tenure of the Housing Stock

The ratio of owner-occupied to rented units in the RMOC in 1986 was 52% owner-occupied to 48% rented. The percentage of rented units increased during the 60s to 50.3% in 1971, was constant during the 70s, then decreased in the 1981 and 1986 census years.

The proportion of rental units in Ottawa-Carleton in 1986 (48%) was the second highest in Canada (Montreal had 55% rental). For Canada as a whole, the ratio of owned to rented was 62% owned to 38% rented. In Ontario the ratio was 64% owned to 36% rented.

5.1.1 Rental

At the beginning of the 80s the apartment vacancy rate averaged about 3.7%. With the drop in construction during 1981-83, increasing in-migration, and interest rates that precluded home ownership for many, the vacancy rate dropped to near zero (0.3%) from 1982 to 1984. As interest rates declined and as a result, more renters were able to afford to become owner-occupiers and rental construction became feasible, the vacancy rate increased. A decline in net in-migration, beginning in 1983, also helped relieve pressure on the rental market and by 1986 the rental apartment vacancy rate had reached 2%.

Rental construction averaged 2,200-2,300 units per year during the 1984-88 period. About 20% of these units were non-profit units and the remainder were built by the private market. Most of the new rental units built during the 1984-88 period were condominiums which were financed as tax shelter investments for individual investors, and managed as rental units by property management companies. Typically, investors get the greatest benefit from these investments if the units are sold within 7 to 10 years. It is not clear yet whether this will adversely affect the rental market.

Nearly 19% of the increase in rental units between 1983 and 1988 was in single-detached units. The number of traditional rental units (i.e. duplexes, triplexes, apartments, and rowhouses) was essentially the same in both 1983 and 1988.

5.1.2 Ownership

As the economy improved in 1983-84, housing construction more than doubled from 3,700 in 1982 to 8,900 in 1984. The decline in mortgage interest rates reduced mortgage carrying costs and therefore made home ownership possible for more households. The resulting demand for homes drove prices up in 1983 (+21%) and 1984 (+18%) but as the supply of new houses increased, prices moderated to increases of 5%-6% per year during 1985-87.

The decline in mortgage interest rates to a low of 10.7% in 1987 continued to offset, to a large degree, the increase in house prices. The price of an average house increased by 81% between 1982 and 1988, but the cost of carrying a mortgage on the average house increased by only 23% over the same period.

5.2 Construction Trends Within the Region

Table 6 shows housing completions in the RMOC from 1975 to 1989 inclusive. During the late 70s the urban area[1] accounted for about 43% of new units; the suburban areas accounted for about 56%. More recently, the urban share has been about 33% and the suburban share of new units has been about 60%, with the remaining 7% occurring in the rural municipalities.

In terms of structure type, approximately 75% of the single detached dwellings built in the Region since 1980 have been built in the suburban municipalities. The rural municipalities accounted for about 15% of the singles built since 1980 (during the 1985-88 period over 18% of singles were built in the rural municipalities). The urban area accounted for about 10% of new singles in the 1980's. Approximately 68% of apartments and about 40% of the row units built in the Region since 1980 were built in the urban municipalities.

The urban area comprised 73% of all housing stock in 1971. By 1981, the urban area share of housing stock had fallen to 65% while the suburban areas of the Region increased their share from 21% to 29%. The apparent decline in the rate of growth in the rural area between 1976 and 1981 (Table 7) was largely the result of a boundary shift which saw the urban part of the Township of Goulbourn included in the City of Kanata.

Table 6

Housing Completions
RMOC

Urban	Single	Semi	Row	Apt	Total
1975–79	991	510	4,453	7,672	13,626
1980–84	1,190	311	2,527	4,171	8,199
1985–89	1,677	299	2,696	6,844	11,516
1975–89	3,858	1,120	9,676	18,687	33,341
Suburban					
1975–79	4,094	3,617	5,127	4,792	17,630
1980–84	8,628	936	3,914	1,856	15,334
1985–89	12,323	154	4,019	2,910	19,406
1975–89	25,045	4,707	13,060	9,558	52,370
Rural					
1979 Only	155	0	52	0	207
1980–84	1,333	24	48	146	1,551
1985–89	3,236	10	101	11	2,523
1979–89	4,724	34	201	157	4,281
Total					
1975–79	5,240	4,127	9,632	12,464	31,463
1980–84	11,151	1,271	6,489	6,173	25,084
1985–89	17,236	463	6,816	9,765	34,280
1975–89	33,627	5,861	22,937	28,402	89,992

Source: CMHC

[1]For the purpose of comparison, this report identifies three geographical areas within the region that share similar development characteristics. These areas are: urban area - cities of Ottawa, Vanier, Village of Rockcliffe Park; suburban area - cities of Nepean, Gloucester, Kanata and Township of Cumberland; rural area - Townships of Goulbourn, Osgoode, West Carleton and Rideau.

Since 1981, the urban share of the housing stock has fallen to 60% in 1986 and to 59% in 1988. The suburban share of the housing stock stood at 35% in 1988 and the rural share was 7%.

The urban area consists of about 30% single detached and 70% multiples including apartments, while the suburban area is approximately 53% single detached, 47% multiples and the rural area consists of 93% single detached, 2% mobile homes (and declining), and 5% multiples.

5.3 Supply of Housing

Table 8 shows the existing housing stock in the RMOC as of the end of 1988.

Table 7

Occupied Dwellings
RMOC

	1971	1976	1981	1986
Urban	100,390	120,310	130,350	137,575
Suburban	30,015	43,865	58,440	76,105
Rural	6,675	10,140	11,665	14,460
RMOC	137,080	174,315	200,455	228,140

Source: Statistics Canada

Table 8

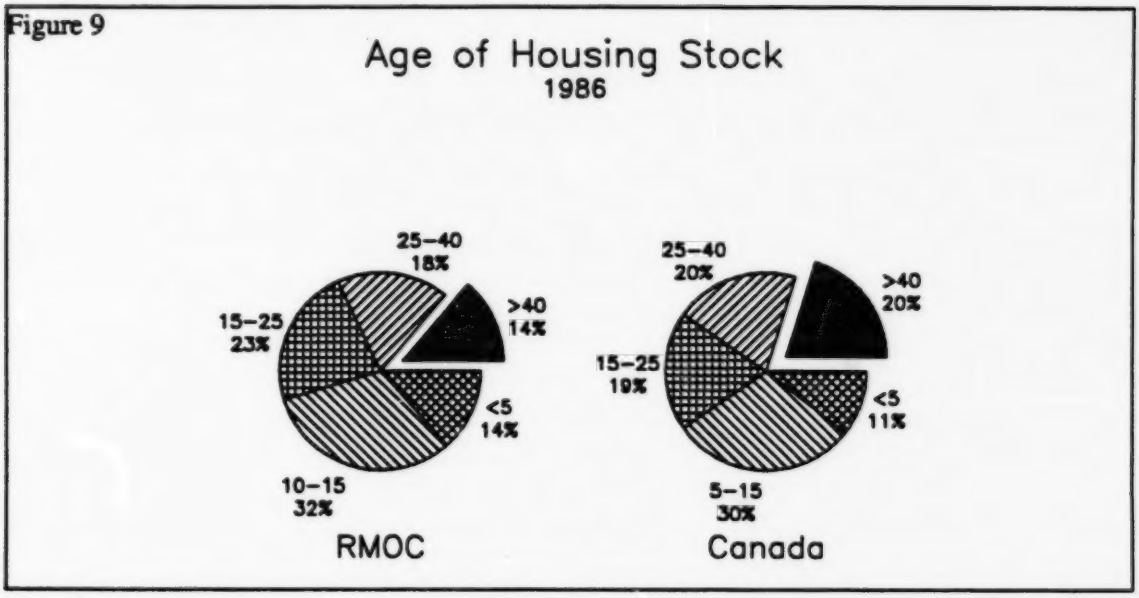
1988 Housing Stock
RMOC

	Single	Apts	Rows	Condo Row	Condo Apt	Other	Total
Ottawa	39,180	74,613	9,372	6,705	8,385	3,323	141,578
Vanier	1,301	6,791	0	128	722	61	9,003
Rockcliffe	679	24	0	16	31	2	752
Gloucester	14,900	5,353	870	9,215	48	1,692	32,078
Nepean	17,636	9,355	2,586	5,612	0	832	36,021
Goulbourn	3,749	220	3	211	0	439	4,622
Kanata	6,107	1,672	232	2,335	0	221	10,567
Cumberland	8,119	593	0	949	208	621	10,490
Osgoode	3,278	135	0	0	0	591	4,004
Rideau	3,033	168	8	0	0	379	3,588
W.Carleton	3,685	79	14	0	0	631	4,409
Total	101,667	99,003	13,085	25,171	9,394	8,792	257,112

Source: Provincial Assessment

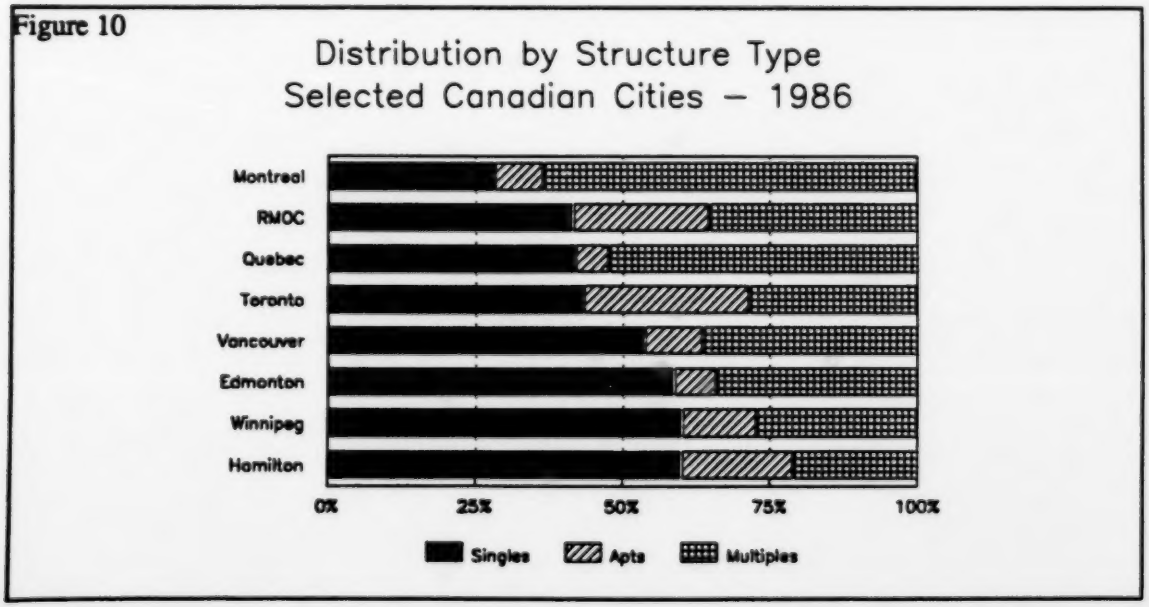
As Figure 9 indicates the Region's housing stock is relatively young, compared with Canada as a whole.

Figure 9



As indicated in Figure 10, the RMOC has a relatively small proportion of single detached dwellings and conversely more multiples and particularly apartments than most other Canadian cities. Only Montreal has a smaller proportion of singles than the RMOC and only Toronto has a larger proportion of apartments than the RMOC.

Figure 10



5.4 Changes Within the National Capital Area

The Ottawa-Carleton housing market forms part of the larger national capital area housing market. As Table 9 indicates, with the exceptions of 1962-66 and 1977-81 the split of dwelling completions has been roughly three-quarters RMOC, one-quarter Outaouais. This is proportionate to their relative shares of the population: RMOC 606,639 (74.9%), Outaouais 202,259 (25.1%) in 1986.

Table 9

Ottawa - Hull CMA Completions
Annual Average 1962 - 1989

	Average Ottawa-Hull	Ontario Part	Quebec Part	Ontario Part as a Percent of Total
1962-1966	5,895	5,177	717	88%
1967-1971	6,155	4,828	1,327	78%
1972-1976	11,383	8,206	3,177	72%
1977-1981	5,832	5,146	686	88%
1982-1986	8,631	6,603	2,027	77%
1987-1989	9,593	7,354	2,238	77%

Source: CMHC

6.0 Summary

Although the recession of 1981 had an adverse effect on the Region's employment situation, this area was affected less than most other areas of Canada. The unemployment rate for Canada as a whole reached 11.9% in 1983 compared with 8.3% in Ottawa-Carleton. The relatively favourable position of the Region caused a large increase in in-migration. Net migration reached 10,300 per year in 1982-83.

The uncertain employment situation combined with high mortgage interest rates led to a sharp drop in new construction in the early 80s - from over 6,000 units per year in 1979 to fewer than 3,000 units per year in 1980 and 1981. When combined with an increase in net-migration this resulted in a drop in the vacancy rate from 3.5% in October 1980 to 0.2% in October 1982.

As interest rates dropped in 1983 new construction more than doubled and excess demand resulted in a rapid increase in house prices.

As Canada recovered from the recession, in-migration to the Region eased, construction picked up, the vacancy rate began to improve (to 2% in 1986) and house price increases moderated. Pent-up demand from the early 80s, relatively low interest rates and a growing middle-aged population continued to drive the housing market throughout the 80s at a high level of 7,230 units per year from 1984 to 1988. In addition to the high rate of construction, the type of units being built changed from predominantly multiples (apartments and rowhouses) to predominantly single detached units. This was partly the result of favourable housing costs (low interest rates) and partly because of the aging baby-boom population who were swelling the 35-40 year age cohorts and increasingly

forming families and having children. Unlike the 70s, when non-family households increased rapidly, the dominant trend in household formation during the 80s was toward family households.

Most of the basic trends that developed during the mid-eighties, i.e. increasing family household formations, the dominance of single detached units as the preferred dwelling type, are expected to continue throughout the 90s; largely due to the continued increase in middle-aged households (35-54 years).

Despite an expected slight increase in the propensity to rent, the tenure split between ownership and rental is expected to continue in favour of ownership, again largely because ownership is preferred by middle-aged households.

Propensities to form households are expected to decline for all age groups during the 90s for a variety of factors including delayed home leaving for young adults, increased immigration (more extended families), increased male survival and increased occupancy of collective housing for those over 65.

Production is expected to average about 5,750 per year between 1991 and 1996 and fall to 5,250 per year from 1996 to 2001.[1]

1See "Update Report 1990: Household and Housing Projections" available from the RMOC Planning Department for further details.